

## Billionaires and millionaires of the Baltic sea region: a comparative analysis of national business elites

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Veröffentlichungsversion / Published Version  
Zeitschriftenartikel / journal article

### Empfohlene Zitierung / Suggested Citation:

Rakhmanov, A. B. (2017). Billionaires and millionaires of the Baltic sea region: a comparative analysis of national business elites. *Baltic Region*, 9(4), 53-71. <https://doi.org/10.5922/2079-8555-2017-4-4>

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**BILLIONAIRES  
AND MILLIONAIRES  
OF THE BALTIC SEA REGION:  
A COMPARATIVE ANALYSIS  
OF NATIONAL BUSINESS  
ELITES**

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*Local business elites make a major contribution to the development of the Baltic region's countries, shaping their present and future. The Baltic business elites are an integral part of the transnational capitalist class — a product of the global economy and the global division of labour. Drawing on a sizeable body of statistics, the author conducts a comparative analysis of the Baltic states' financial elites. The author considers such characteristics of business elites as their number, total wealth, gender composition, average number of children in their families, geographical distribution, global mobility, industry specialization, a tendency towards oligarchy, and others. Germany's business elites are strong and are characterized by considerable wealth, a large number of billionaires and millionaires, strong roots in the German society, a high level of female representation, a relatively even geographical distribution, engagement in industrial production and technology, and a weak tendency towards oligarchy. Yet, Germany has a small proportion of self-made and talented business people. The strong points of Russia's business elite are considerable wealth, relatively young age, and a high proportion of self-made and talented business people. Russia's business elite is limited in number, has weak roots in the society, a low level of female representation, its hyper-concentration in Moscow, a strong tendency towards oligarchy and specialization in finance and raw materials.*

**Key words:** Baltic region, global capitalism, capitalist class, business elite, billionaires, millionaires, oligarchy, self-made business people, talent, Russia, Germany

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*Submitted on July 11, 2017*

doi: 10.5922/2079-8555-2017-4-4

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The present and the future of the countries of the Baltic region, their economic and political developments largely depend on their business elites.



A community of prominent business leaders is one of the most important units of their public life and, at the same time, a part of the transnational capitalist class [13; 20; 21]. We view business elite as the upper class of the capitalist society, that is — billionaires and millionaires, excluding entrepreneurs with capital up to \$ 1 million. In this study we look at the business elites of Russia, Germany, Sweden, Denmark, Poland, Finland, and, to a lesser extent, for the lack of billionaires, — those of Latvia, Lithuania and Estonia. Our goal is to explore the main characteristics of business elites of Baltic countries — their number, total net worth, gender composition, average number of children, industry specialization, geographic location, global mobility, degree of oligarchy and talent. To achieve this, we refer to the empirical analysis of statistical research concerning billionaires and millionaires.

The research focus of this article is billionaires of the Baltic region; the study is done using the data of the available billionaires' ratings. There are two notable ratings — a well-known Forbes rating and a less famous Hurun rating of the Chinese Research Institute. The American magazine has been compiling its ratings of the world's billionaires since 1987, the Chinese rating has only existed since 2015. Together, these ratings provide diverse information concerning the super-rich: their net worth, gender, age, nationality (citizenship), etc. The ratings differ in methodology and the subjects of study: for example, where Forbes indicates the billionaires' nationality, the Hurun talks of the country of their permanent residence.

**Number and total net worth of billionaires.** We study the data in terms of the number and total net worth of billionaires in the Baltic region, based on Forbes and Hurun ratings (Table 1) [30; 23]. The countries are ranked in terms of billionaire number in the Hurun rating.

Table 1

**Billionaires of the Baltic region and their net worth in 2017**

Countries	Number of billionaires		Total net worth of billionaires, billions dollars	
	Forbes	Hurun	Forbes	Hurun
World	2043	2257	7670	8010
Germany	114	109	467,8	237,7
Russia	96	68	386,3	261
Sweden	31	17	117,5	102
Denmark	6	14	38,6	39,4
Finland	7	4	12,9	6
Poland	4	3	9,9	9

As one can observe, in 2017 Germany was the main centre of capitalist accumulation in the number of billionaires and their combined net worth in the Baltic region in 2017, with Russia in the second place. Germany and Russia are the two capitalist giants of the Baltic region, significantly ahead of Sweden, the third in the rating and the only medium capitalist country in



the region. Behind Sweden are small capitalist countries of Finland, Denmark and Poland. Here the ratings data differ: according to Forbes, there were slightly more billionaires in Finland, according to Hurun — there were many more billionaires in Denmark than in Finland. But in terms of the total net worth, billionaires of Denmark are ahead of those of Finland in both rating lists. Estonia, Latvia and Lithuania, in which there are no billionaires, can be described as micro capitalist countries of the region.

It is interesting to see how the region's billionaires rank globally. Table 2 shows the dynamics of the billionaires' of the Baltic region to the number of the world's billionaires, while Table 3 demonstrates the proportion of their wealth in the total net worth of the billionaires of the world in 2000—2017 [30].

Table 2

**The share of the Baltic region's billionaires  
in the number of world's billionaires in the 2000—2017, %**

Countries and world	2000	2005	2010	2013	2016	2017
World	100	100	100	1426	1810	100
Germany	13.04	8.25	5.24	4.07	6.63	5.58
Russia	0.00	3.91	6.13	7.71	4.25	4.70
Sweden	1.55	1.30	0.99	0.98	1.44	1.52
Finland	0.00	0.00	0.1	0.07	0.33	0.34
Denmark	0.62	0.43	0.20	0.42	0.33	0.29
Poland	0.00	0.29	0.40	0.28	0.17	0.20
6 countries of the Baltic region in total	15.22	14.18	13.06	13.53	13.15	12.63

Table 3

**The wealth of Baltic region's billionaires  
in the total net worth of world's billionaires in the 2000—2017, %**

Countries and world	2000	2005	2010	2013	2016	2017
World	100	100	100	100	100	100
Germany	12.16	9.57	6.10	5.45	7.24	6.10
Russia	—	4.05	7.43	7.86	4.36	5.04
Sweden	2.03	2.76	2.35	1.63	1.73	1.53
Finland	—	—	0.04	0.06	0.15	0.17
Denmark	0.46	0.51	0.14	0.34	0.45	0.50
Poland	—	0.09	0.18	0.18	0.12	0.13
6 countries of the Baltic region in total	14.65	16.98	16.23	15.52	13.90	13.47

We can see that the rank position of the billionaires of the Baltic region as a whole within the global community of billionaires has somewhat weakened in their number and wealth in the early 21st century. This especially



concerns the super-rich of Germany. The number and capital of Russian billionaires grew rapidly, but since 2013 the position of the Russian super-rich has rapidly destabilized. Swedish billionaires are in a stable position in terms of their number, but their net worth is declining. As for the Finnish, Danish and Polish billionaires, neither weakening nor strengthening of their ranking positions shifted their total presence in the global community of billionaires.

**Number of millionaires.** We also looked at a more massive layer of the business elite of the countries of the Baltic region, which is millionaires, i. e. individuals with net worth over one million US dollars. We can analyse the layer, in particular, with the information contained in the reports of the British Knight Frank consulting company (Table 4). Unfortunately, we have no information about the total net worth of this group of the national business elites. The countries are ranked in terms of the number of millionaires in 2016 (in descending order).

Table 4

**Number of millionaires of the Baltic region and its proportion  
in the number of millionaires globally in 2005—2016 [27: 64—67]**

Countries and world	2005		2014		2016	
	thousands of people	%	thousands of people	%	thousands of people	%
World	13255.2	100	13606.1	100	13645.4	100
Germany	508.6	3.84	849.5	6.24	774.6	5.68
Russia	43.1	0.33	133.7	0.98	132.0	0.97
Sweden	66.7	0.50	119.6	0.88	112.5	0.82
Denmark	49.2	0.37	71.2	0.52	73.3	0.54
Finland	32.6	0.25	50.2	0.37	48.2	0.35
Poland	18.2	0.14	43.6	0.32	45.3	0.33
Lithuania	1.1	0.008	2.7	0.019	2.9	0.021
Latvia	0.8	0.006	1.7	0.012	1.9	0.013
Estonia	0.8	0.006	1.7	0.012	1.9	0.013
9 countries of the Baltic region	721.1	5.44	1273.9	9.36	1192.6	8.74

The data shows that in all Baltic countries, except Russia, the proportion of millionaires in the total number of millionaires in the world is similar to the proportion of billionaires in the total number of the billionaires of the world. In Russia, however, the first number is much lower than the other. For example, in 2016 the share of German billionaires was 6.63% to the world's total, and the share of German millionaires was 5.68%. For Russia, these indicators were 4.25% and 0.97%, respectively. In Germany, millionaires constituted 0.95% of the population (774 thousand versus 81 million people), in Russia — 0.09% of the population (132 thousand versus 146 million). These differences can be characterized with help of the following formula: in the developed countries, there are many billionaires as well as millionaires, while in Russia, by contrast, there are many billionaires, but rela-

tively few millionaires. This means that the capitalist class in the developed countries is a relatively significant minority of the population and has strong roots in society; capitalism in these countries is massive, ‘popular’ and ‘democratic’, in the economic sense of the word. In turn, this indicates significant stability of the socio-economic and political systems of these countries. Russian business elite constitutes a very small minority of the population and has very weak roots in society, which speaks of a greater instability of the socio-economic and political system in the country.

**Gender composition and family size.** An important feature of business elites is their gender composition and number of children. Using Forbes [30], we can calculate the number of women billionaires and an average number of children per billionaire in the Baltic region (Table 5). Data on Denmark, Poland and Finland should be taken conditionally, as the number of billionaires in these countries is very small, and, therefore, the sample for these countries is insignificant.

Table 5

**The gender composition and the average number of children of Baltic region’s billionaires in 2017**

Countries and world	Number of women-billionaires	Share of women-billionaires, %	Average number of children
World	217	10.62	n/a
Germany	27	23.68	1.39
Poland	1	25.00	2.25
Sweden	7	22.58	1.26
Denmark	1	16.67	2.00
Finland	1	14.29	1.43
Russia	1	1.04	2.83

As we can see, the proportion of female billionaires in the Baltic region is greater than the global average. Germany and Sweden (along with Spain, Brazil and Switzerland) lead the world in the number of female billionaires. Since these super-rich are true masters of their national and global economy, we may conclude that female emancipation has had the most significant advancement in these countries. Unfortunately, Russia is far behind its Baltic neighbours in this respect: in 2017 there was only one woman, Elena Baturina, among 96 billionaires.

The emancipation of women and their active role in society is not only a slogan of abstract humanism, or quintessence of feminism. Human nature is based on sexual dimorphism and the dominance of men in our era makes the public system too rigid and inflexible, and therefore lacking in innovation. Consequently, the increased presence of women in business leadership is an imperative and a prerequisite for the dynamic development of the country. In this respect, the positions of Russian business elite look weak. Unfortunately, there are no sources by which we could judge the gender composition of millionaires in these countries.



Table 5 shows that, in terms of an average number of children, Russian billionaires are much ahead of the population of their country; German billionaires are on the same level, while the Swedish super-rich are below the average level of childbearing in their country. The average number of children per billionaire is not only a demographic, but also an economic indicator. This figure shows, firstly, the degree of the upcoming billionaires' capital fragmentation, secondly, the increment in the ranks of the business elite, thirdly, that the business elite of the future will be combined not only in terms of business interests but by family ties as well, i. e. they will turn into something like a new aristocracy. Table 6 suggests that the Russian business elite, to a greater degree than their Baltic colleagues, will face a strong capital fragmentation and fortune reduction, an increase in the number of billionaires and subbillionaires, and a strengthening of kinship-based cohesion. The average number of children of the business elite is an ambiguous factor when differentiating between their interests and the interests of the society. Low fertility weakens the current business elite and prevents their closure, transformation into quasiaristocracy, leaving possibility for small- and middle-class to enter the highest tier of business, in this way contributing to the society's progress. High fertility of the business elite will have the opposite effects, thus being a negative social factor. Taking into account the interests of society, it is our consideration that a combination of high fertility of population and reduced fertility of the business elite is an optimal scenario. In Russia, we are seeing the worst-case scenario unfold: small population and large business elite. Germany and Sweden show an intermediate option: population with a small number of children and the business elite with a small number of children.

**Industry specialization.** One of the most important characteristics of the Baltic business elites is their industrial specialization, i. e. the distribution of billionaires by economic sector. For identification of the business elites' industry specialization in the Baltic region we can use both Forbes [30] and Hurun [23], with Forbes being more convenient for our purposes.

Forbes distributes the world's billionaires by 18 economic sectors. We combine these sectors into three industry groups: 1) industrial-technological (automotive industry, construction and engineering, healthcare, logistics, manufacturing, technology, telecommunications), 2) financial (finance and investment, real estate) and 3) natural resource sectors (energy, metallurgy and mining), excluding from our analysis less exponential sectors (fashion and retail trade, food and beverages, etc.)<sup>1</sup>. Because only Germany, Russia and Sweden have enough billionaires for our analysis to be possible, we temporarily exclude business elites of other Baltic countries from the picture and look at the distribution of the billionaires of Germany, Russia and Sweden across the industrial groups detailed above (Table 6). The countries are ranked by proportion of billionaires which belong to the first group of economic sectors in descending order.

<sup>1</sup> Names of sectors are given by Forbes.

Table 6

**Industry specialization of German, Russian and Swedish billionaires, %**

Countries	Indicator of industrial and technological orientation	Indicator of financial orientation	Indicator of natural resource orientation
Germany	48,24	6,14	0,88
Russia	21,88	22,92	37,5
Sweden	6,46	29,03	3,23

We see that the business elite of Germany is focused, to a very large extent, on working in those sectors of economy which ensure the productive force progress and, therefore, the progress of the whole society. This means that in short term Germany will remain one of the industrial-technological leaders of the global society. Germany will be one of the world's polygons of high-tech research-based production, which means that highly skilled workforce (associated mainly with intellectual work) and, consequently, advanced educational system and powerful avant-garde science will be concentrated in this country.

In contrast, Russian business elites focus on work in the commodity sector and in the financial sector. The number of Russian business leaders who invest in industrial and technological sector is smaller than that from the commodity or financial sectors. Unfortunately, predominantly financial and commodity orientation of the Russian business elites spells our country's continued existence as the global capitalist system's raw materials appendix. This area is of huge interest for the dominant part of Russian billionaires. While German billionaires develop their country by growing rich, their Russian colleagues in their activities impede their country's accession on the path of industrial-technological progress. As a result, in short term Russia will probably develop as a country where economy becomes more and more simplified, labour degenerates, system of education and science becomes more bureaucratized, fictive and ritual. However, a significant amount of Russian capital invested in the fragmented but existing highly technological military-industrial complex, combined with powerful armed forces would make it possible for Russia to maintain a certain degree of autonomy within a system of global capitalism.

Industrial specialization of Swedish billionaires (low industrial-technological orientation with a strong financial orientation) allows us to conclude that this country is not going to be among the leaders of the global research-based high-tech economy. Swedish economy and social life will display stagnation related to an unproductive orientation of a significant part of its business elite. The basis for the development of any contemporary society can only be a complex of industries related to real production, with creation of tangible (e. g., cars, machines, airplanes and medicine) or intangible goods (e. g., software and medical technology). Of course, this does not mean that there will be no high technology industries in Sweden or Russia. They will exist and be created, but they will not play such an important role in the development of economy and society as those in Germany.





To reinforce the idea about the relationship of business elites of the Baltic region and the development of a complex economy sector we will show the data on dynamics of high-technology exports from these countries in 2005—2015 (Table 7). This statistics is one of the important indicators of the industrial-technological development of the country and its place in the system of global division of labour. Countries are ranked by exports in 2015.

Table 7

**High-technology exports of the countries of the Baltic region  
in 2005—2015, million dollars [7]**

Countries	2005	2010	2015
Germany	146,389	158,507	185,556
Sweden	17,339	16,178	14,946
Poland	2,645	8,305	13,445
Russia	3,820	5,075	9,677
Denmark	10,163	8,114	9,375
Finland	13,752	5,853	3,633
Estonia	847	741	1,042
Lithuania	412	1,190	1,777
Latvia	160	396	1,037

We can see that Germany is an absolute leader in the Baltic region (and one of the leaders of the world) in the field of high-technology industry, with Sweden and Poland far behind. It is noteworthy that before 2015 Poland was the third largest exporter of highly technological goods in the Baltic region. Russia is slightly ahead of a much smaller Denmark, which, again, indicates the sad fact of our country's transformation into a raw materials periphery of the global economy. We also need to note that in 2005—2015 Finland, Sweden and Denmark experienced a decline in their importance as highly technological countries, and Estonia, Lithuania and Latvia displayed a curious rise of high-technology exports, whether this is an increase in production, or a boost in re-export (particularly from Russia) remains open to investigation.

**Territorial distribution.** A very important feature of the national business elite is their territorial distribution, i. e. a degree of their concentration in cities and particularly in the main city of the country. There is a need of defining the concept of the main city. A main city is a city satisfying at least two of three criteria: firstly, it is a capital of the country, secondly, it is the most populous city, and, thirdly, it is a city with the greatest number of business elite. The main city is a centre of economic, political and cultural life, it is the command centre for the country's governance and (in case of large countries), one of the sites of world governance. Unlike in the USA, Canada or Turkey, in the Baltic countries, capitals are main cities. All capitals of the Baltic countries, except for the capital of Germany, have all three indicators for being entitled main cities. Berlin, being the capital and the most populous city of Germany, is not the main centre of German business elite. This is certainly a consequence of division of German territory till 1990 into West Germany, East Germany and West Berlin.



We estimate how many representatives of business elite of the Baltic region live in the capitals of their countries in absolute and relative terms, using information about billionaires from the Hurun rating [23], and information about millionaires from the report by the British Knight Frank consulting firm [27]. Countries are ranked by the number of billionaires living in the capitals of the Baltic region to the total number of billionaires in these countries (Table 8).

Table 8

**Concentration of business elites in the capitals  
of the Baltic countries in 2016—2017**

Countries	Number of billionaires 2017	Share of billionaires of the country 2017, %	Number of millionaires in the city, 2016, thousand people	Share of millionaires of the country 2016, %
Moscow	59	86.76	68.2	51.67
Stockholm	10	58.82	33.0	29.33
Warsaw	1	33.33	18.0	39.74
Copenhagen	1	7.14	27.4	37.38
Berlin	4	3.51	32.8	4.23

Table 8 shows that Russian business elite are much ahead in the degree of concentration in their capital than the capitalist classes of all other countries in the Baltic region: Moscow is home to the vast majority of Russian billionaires and millionaires. Table 9, comprising data from Hurun [23] and Forbes [30] shows where Russian billionaires live in our country, apart from Moscow.

Table 9

**Cities of Russian billionaires (excluding Moscow)**

City	Hurun	Forbes
Kazan	—	4
St. Petersburg	1	3
Ekaterinburg	2	2
Krasnodar	1	1
Verkhnyaya Pyshma	1	1
Surgut	1	1
Rostov-on-Don	1	—
Tula	1	—
Magnitogorsk	—	1
Irkutsk	—	1
Solikamsk	—	1

According to Hurun, billionaires live only in 7 Russian cities, except for Moscow, according to Forbes — in 9 cities. Moreover, according to Forbes,



the second city of Russian billionaires' concentration is not St. Petersburg, as one would expect, but Kazan. Many political and legal conflicts in relations between the federal centre and Tatarstan may be associated with this fact, or rather, with contest for property in the context of the policy of centripetal redistribution of the capital: from the point of view of Moscow's business elite there is an "indecently" huge number of billionaires in Kazan, a mere region of Russia. Unfortunately, we have no data on the settlement of Russian millionaires. Based on the Knight Frank report, we can only say that there lived 13 thousand millionaires in St. Petersburg in 2016, which was 9,85 % of all Russian millionaires.

Accumulation of the Russian business elite in Moscow is especially significant due to the fact that our country has the largest territory in the world. Hyperconcentration of the business elite in the capital of Russia is an absolute drawback, because it spells significant socio-economic differences between Moscow and the rest of the country, leading to the effect of "two Russias": Moscow is almost the first world, and everything outside Moscow is the third world. Accumulation of our business elite in Moscow shapes their quasicolonial attitude towards the rest of the country and understanding of all other regions of the Russian Federation and, consequently, vast majority of population as an object for exploitation, which certainly does not contribute to the long-term benefit of the country.

Business elites of other Baltic countries greatly differ from their Russian peers in the degree of concentration in the capitals. In this respect Germany is the direct opposite of Russia. German billionaires are characterized by a high level of dispersal across the whole territory of the country, with the highest concentration in the west. According to Hurun, the leading centres of German billionaires' living in 2017, apart from Berlin, were: Hamburg (10 persons), Bielefeld (8), Melsungen (8), Lünen (4), Munich (3), and Düsseldorf (3 persons). According to Knight Frank, the main centres of concentration of German millionaires in 2016, apart from Berlin, were Frankfurt (128.3 thousand) and Munich (78.9 thousand people).

According to Hurun, the majority of Swedish billionaires are concentrated in Stockholm — 10 of 17 people; Gothenburg with 4 billionaires is their second centre. It would seem, the Swedish business elite are similar to the Russian in their concentration, but the matter is that many Swedish billionaires live outside of Sweden. A very high degree of dispersal across the territory of their country is typical for Danish billionaires. According to Hurun, only one of 14 Danish super-rich resides in Copenhagen. A similar situation is observed in Finland and Poland. None of four Finnish billionaires lives in Helsinki but they are located nearby: three in Espoo and one in Kirkkonummi. Polish cities of Warsaw, Poznan and Kielce contain one billionaire each. The dispersal of the business elite of Germany, Denmark and Poland appears to be more adequate from the point of view of countries development as integral social systems-entities. Being dispersed across the country, the business elite of the country definitely contribute to the development of many territories and do not convert the capital or any other main city into a highly privileged territory, exalted above other regions.



**Global mobility.** In the era of globalization, the relationship of the business elite of any country with their country and its cities is becoming more conventional and flexible, not unlike the dials of the clock on Dali's paintings. In the era of globalization, cross-border mobility becomes one of the most important attributes of the capitalist class, characterizing their transnational nature. The formation of global economy based on a worldwide division of labour leads to the fact that many representatives of business elites of the Baltic countries regularly move across the planet primarily in pursuit of business interests and for the purposes of rest, entertainment, recreation, education of children etc. We differentiate between two types of global mobility of the business elite's representatives: long- and short-term.

Long-term global mobility is resettlement from country of birth (or country of previous business activity) for a lengthy period of time, often with the preservation of one's original citizenship. We can judge about this type of mobility by the distinction between Forbes' and Hurun's ratings data. The differences in these ratings make it possible to conclude that the main countries-recipients of billionaires are the United Kingdom, Switzerland, France, Singapore, Hong Kong and the main donor countries are Russia, Germany, and Australia. According to Forbes, in 2017 10 out of 114 German billionaires lived outside their country, mainly in Switzerland (6), while retaining their German citizenship. There is no information concerning location of 12 German billionaires. According to Forbes, in 2017 8 Russian billionaires lived outside Russia: 4 in London, 2 in the USA, 1 in Monaco and 1 in Geneva. At the same time, the rating may have it wrong: Forbes claims that Roman Abramovich is living in Moscow, so it may be that more Russian billionaires live abroad than presented by the magazine. The super-rich of Sweden are very globally-mobile. Only 20 out of 31 billionaires of this country lived in their homeland, whereas 6 of them lived in the UK, 3 in Switzerland, 1 in New York and 1 in Belgium. One out of 6 Danish billionaires constantly lives in London. All Finnish and Polish billionaires live in their countries.

Similarly, millionaires move around the planet, changing places of their permanent residence. Researchers identify sustainable directions of these migrations. According to the report by a South African consultancy firm, New World Wealth, the major countries-recipients of millionaires in 2014 were the UK, the USA, Singapore, Australia, Hong Kong, the UAE, Canada and Turkey. The donor countries were China (in 2000—2014, 91 thousand millionaires left the country), India (61 thousand), France (42 thousand), Italy (23 thousand), Russia (20 thousand) [16]. Researchers from New World Wealth named reasons for millionaires from around the world move to London: 1) language, 2) cosmopolitan nature of the city, 3) the ease of mobility to the EU, 4) ease of implementation financial transactions in the UK, 5) ease of buying property in the UK 6) high quality of British secondary and higher education.

Short-term global mobility is regular movements of representatives of the business elite for a few days or weeks. We can judge about this type of mobility by such indicators as the number of private jets (business jets) at the disposal of the business elites of the Baltic region.



The development of private jet aircraft means that the global dimension of business elite is much bigger than that of global humanity. Flights in business class of regular airlines are no longer sufficient to satisfy billionaires and millionaires, they need their own aircraft. Business jets provide opportunity for rapid, flexible in terms of spatio-temporal parameters, as well as more comfortable moving of high net worth individuals (HNWI's) around the world. In contemporary global capitalist society, private jet is a substitution for what a horse and a horse-drawn cart (chariot, cart, carriage, etc.) were for upper classes in the slave, feudal and early capitalist societies and for what a car was in the mature capitalist society of the XX century.

We measure short-term global mobility of business elites of the Baltic region with help of the indicator of short-term global mobility (ShTGM), which equals to the number of business jets [4] per 1000 individuals with capital over 30 million dollars. [28]. We present the values of this indicator for countries of the Baltic region (Table 10). The countries are ranked by indicator values.

Table 10

**Business jets and ShTGM of business elites  
of the Baltic region in 2014**

Countries	Number of business jets	ShTGM
Denmark	62	95.98
Finland	26	43.92
Germany	387	40.32
Sweden	36	23.68
Russia	53	9.42

We can see that in terms of business jets density, and, therefore, of short-term global mobility, business elite of Denmark is far ahead of their peers in the Baltic region. Russian HNWI's are far behind the Danes in this respect.

Exploring the global mobility of business elites, it is necessary to remember that often the way of life of one and the same HNWI combines both types of global mobility. Of course, with further globalization increase global mobility of Baltic business elite, as well as that of all other countries, will steadily grow.

**Degree of oligarchy.** The study of oligarchy degree of the business elites in the Baltic region is of great importance. The property structure of the capitalist class of any country is a pyramid: the bigger the capital is, the fewer individuals own it and vice versa. The question is fewer by how many. If individuals with small (and medium) capital are relatively few in relation to the number of persons with major (and big) capital, the firsts are not strong enough to implement their interests if they collide with the interests of the latter. In this case, the interests of the latter severely suppress the interests of the former, and different oligarchy degrees of capitalist classes may be observed. The major (and big) businesses always dominate the small (and

medium) ones, but the question is how authoritarian and unconditional that domination is. If the number of individuals with small (and medium) capital is comparatively very large, the major (and big) businesses, even taking the leading position, are forced to take into account the interests of the former and not to violate them in an oppressive way. In this case, i. e. the case of relative balance of interests between the major and the smallest businesses, we observe democracy of capitalist classes (the concept of democracy is used here in the economic, not political sense).

A high degree of oligarchy of the business elite has at least two important consequences. Firstly, it translates into the closeness of the higher layer of the business elite: complexity of vertical social mobility that creates a huge gap between the higher layer of the business elite and not only the population of the country, but also smaller entrepreneurs. Secondly, this means that there are barriers to innovation and technological development of the country. We will explain this in more detail. Capitalism as a social system is dynamic, flexible, progressive and innovative only when there are constant fluctuations within the capitalist class, when small and medium businesses rise, transforming into big and major businesses. In a typical case it happens when small and medium businesses implement innovations, offering new methods of production, organization of enterprises, goods or services. The more numerous in relation to the business elite the layers of small (and medium) capital owners are, the more those who are able to innovate are among the latter and, hence, the more dynamic and flexible this modification of capitalism as a social system is. Despotic rule of major and big businesses leads to simple reproduction of the achieved level of productive forces, — in other words, it leads to stagnation. Oligarchic capitalism is a form of capitalism characterized by a strong tendency to stagnation. Democratic capitalism, i. e. capitalism, which is characterized by a regular ascent of the most enterprising small and medium entrepreneurs to the ranks of the higher layer of the business elite, is a dynamic and innovative capitalism.

We are able to establish the oligarchy degree of business elites of the Baltic region using three methods — method of indicators of interlayer proportions, method of age heterogeneity of property extremes and method of dynamic middle age.

Method of indicators of interlayer proportions (IIP) is based on the calculation of the ratio between the number of millionaires and billionaires. We used data on the number of millionaires, contained in the reports of Knight Frank [27] and Credit Suisse [5] concerning the situation in 2016. For greater confidence, we used both of these sources. We identified two IIPs according to Knight Frank, and two according to Credit Suisse. IIP-1(K) is a ratio between the number of millionaires and the number of billionaires, IIP-2(K) is the ratio between the number of millionaires and the number of individuals with capital over 100 million dollars (both according to Knight Frank). IIP-1(C) is the ratio between the number of millionaires with capital from 1 million to 10 million dollars and the number of billionaires, IIP-2(C) is the ratio between the number of individuals with capital from 1 to 10 million dollars and the number of individuals with capital over 500 million dollars

(both according to Credit Suisse). Thus, the higher the value of the indicators, the more millionaires we have per one billionaire or subbillionaire, and the lower oligarchy degree of the capitalist class is. Table 11 shows the data rounded to integers. Data for Latvia, Estonia and Lithuania is incomplete, since there are no billionaires in these countries.

Table 11

**Indicators of interlayer proportions of business elites  
of the countries of the Baltic region in 2016**

Country	Knight Frank		Credit Suisse	
	IIP-1 (K)	IIP-2(K)	IIP-1 (C)	IIP-2 (C)
Denmark	14,660	991	33,239	12,246
Germany	9,931	749	18,769	6,976
Finland	9,640	753	11,241	4,496
Poland	9,060	581	9,840	3,936
Sweden	5,357	598	13,683	5,263
Russia	1,590	167	738	377
Latvia	—	950	—	n/a

Based on all four IIPs, Russian business elite is the most oligarchic in the Baltic region. For example, according to Knight Frank, there is one billionaire in Russia per 1,590 millionaires, whereas in Germany — per 9,931, in Sweden — per 5,357. This means that Russian billionaires, unlike their peers from other countries of the Baltic region can arbitrarily impose their will and their interests on small and medium businesses and on the whole society as well.

The method of age heterogeneity of property extremes is used to identify differences in the average age of the richest and the "poorest" billionaires. To be precise, we took the first and the fifth wealth quintiles, i. e. 20 % of the richest and 20 % of the "poorest" billionaires of Russia, Germany and Sweden, and calculated their average age (Table 12). A resort to the analysis of billionaires in other countries of the region would not make sense because of their small size or absence. For greater objectivity, we used both Forbes [30] and Hurun [23] ratings.

Table 12

**The average age of billionaires in the first and fifth quintiles  
in Germany, Sweden and Russia in 2017**

Country	Forbes		Hurun	
	Average age of first quintile	Average age of fifth quintile	Average age of first quintile	Average age of fifth quintile
Germany	69,85	54,80	65,36	63,41
Sweden	69,17	49,83	76,00	40,67
Russia	55,89	57,74	54,64	56,64



Both in Germany and Sweden the first quintile is older than the fifth quintile of billionaires (according to Forbes and Hurun). This case is typical for a situation when, in addition to the factor of inheritance, there is rising social mobility, when individuals make bourgeois' career over several years, for example, multimillionaires become billionaires. In some years they increase their capital, and naturally an average "poor" billionaire turns out to be younger than the average "rich" billionaire. There is a different situation — the first quintile of the similar age or, as in the case of Russia, younger than the fifth quintile (according to Forbes and Hurun) indicates low vertical social mobility, monopolization of top positions in the business elite by small and closed groups. This indicates a high oligarchy degree of Russian business elite.

The method of dynamic average age is study of changes in the average age of billionaires of any country in a certain period of time. The latter must be relatively long, at least 10 years. Based on Forbes [30], we can see changes in the average age of German, Swedish and Russian billionaires from 2003 to 2017 (Table 13).

*Table 13*

**The average age of billionaires  
in Germany, Sweden and Russia in 2005—2017, years**

Country	2003	2006	2009	2012	2015	2017
Germany	64,74	66,15	66,87	65,77	65,45	64,10
Sweden	Insufficient data	69,00	68,00	70,27	61,96	59,35
Russia	42,65	45,55	48,66	50,08	53,28	55,05

To start with, let us denote the significance of the average age indicator as an important characteristic of the business elite. Relative youth (in combination with education, qualification and experience) means that the representatives of the business elite are healthy, energetic, dynamic, flexible, perceptive, etc. As we can observe, Russian billionaires were significantly ahead of their colleagues from Germany and Sweden in terms of this indicator in 2017 and before.

The dynamics of the average age is notable for the fact that it allows to conclude about the oligarchy degree of business elites of the Baltic region. As one can see, the average age of billionaires in Germany and Sweden declined in 2003 to 2017, significantly so in the case of Sweden. This is because the billionaires in these countries grew old, died, left business to heirs, and — what is very important — their ranks included wealthy young multimillionaires. There was a process of revitalization of the business elite, favourable for capitalism as a social system.

In contrast to this, Russian billionaires have aged almost the number of years that passed during this period. Our analysis shows that Russian billionaires are individuals that were born mainly in 1955—1968 and began doing business in the late 1980s and early 1990s. The steady increase in the aver-





age age of billionaires in Russia means that inheritance has not taken place or has been a rare event (because of the business elites' youth in both countries), and — what is more important — that there is no increasing social mobility or it is insignificant. This suggests that those entrepreneurs-innovators born in the 1970s and early 1980s may not become billionaires, having got rich at the expense of their innovations, because of the fact that the infrastructure of the enrichment is usurped by the existing billionaires and subbillionaires, and the entrance into the highest tiers of the business elite is mostly blocked. The top layer of the business elite is a narrow and closed corporation.

The high fertility of Russian business elite noted above (Table 5) will contribute to its oligarchization in the future: with the change of generations, family ties will strengthen the encapsulation of the super-rich layer. Low fertility of the business elite of Germany and Sweden, on the contrary, will contribute to the future upward social mobility, leaving room for individuals from the lower layers of the capitalist class.

Thus, all three methods show a very low oligarchy degree of the business elites of all countries of the Baltic region, except for Russia, and hyper oligarchy degree of the business elite of our country. Democracy of the business elites provides prerequisites for entrepreneurs-innovators' career ascent, i. e. for industrial-technological and social progress of most countries of the Baltic region. Hyper oligarchy degree of the Russian business elite creates obstacles for individuals who offer technological and other innovations, blocking the ascent of Russian Bills Gates and Marks Zuckerbergs. This hinders the development of our country as a whole.

**Entrepreneurship and talent.** A very important characteristic feature of the business elite's representatives is a quality, which is in English best denoted by the term "self-made". A self-made man (woman) is a person who "made himself/herself", i. e. made a career by his/her own efforts, not relying on inheritance or family support. His/her engine of social mobility is his/her talent and energy. Through Hurun [23], which presents detailed data on the self-made degree in case of each billionaire by evaluating it on a 5-point scale, we can calculate the average level of self-made billionaires in the Baltic region, denoting this value as a self-made indicator (Table 14). Countries are ranked in descending order in terms of this index.

*Table 14*

**Self-made indicator of billionaires of the Baltic region in 2017**

Country	Self-made indicator
World	3.84
Russia	4.17
Poland	4.00
Sweden	3.35
Germany	3.26
Denmark	3.00
Finland	2.00



The value of self-made indicator does not lie only in the fact that it shows the degree of vertical social mobility of the business elite. This indicator can be considered as an indicator of the average level of billionaires' talent and entrepreneurship skill. The point is that if in conditions of severe competition an individual got his/her own power and enormous wealth not by means of inheritance or family or clan support, it certainly means the presence of a high level of his abilities. Therefore, the higher the average level of the self-made business elite is, the higher is the average level of talent of its representatives. In this regard, based on the data of Table 14, we can definitely say that in terms of an average level of talent billionaires of Russia surpass all their peers from Baltic countries, particularly, German and Swedish billionaires.

However, talent of the business elite is nuanced: it can be targeted either at revolutionization of productive forces, i.e., industrial-technological and social progress, or at unproductive reproduction of wealth and power, which do not contribute to the country's development. Not only is the individual's talent important, but the focus of his/her activities too. Taken separately, a high self-made level, and, therefore, the level of talent of Russian billionaires are positive qualities, but when viewed together with other characteristics (financial and resource orientation, etc.), they deny cause of optimism. Unfortunately, we have a lot of evidence to suggest that big talent of Russian billionaires isn't and wouldn't be used mainly for science-based, highly technological and socially-oriented economy, nor for overcoming of the gap between Russia and the developed countries, but for other, more selfish goals.

**Conclusion.** In the article, we have made an attempt of multidimensional comparative analysis of business elites of the Baltic region. We found that a high level of wealth, big number and strong rootedness in German society, high proportion of women, dispersal throughout the country, a very significant industrial-technological orientation, and democracy are the strengths of German business elite, while low self-made quality and little talent are their weak points. It is worth noting that a high level of wealth, relative youth and high level of self-made quality and, therefore, big talent are the strengths of the Russian business elite while small number and weak rootedness in the Russian society, minor presence of women, dominant financial-commodity orientation, high concentration in Moscow and hyper oligarchy degree are their weak sides. These qualities largely determine the present and the future of the respective countries and their place in the global capitalist system.

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#### To cite this article:

Rakhmanov A. B. 2017, Billionaires and Millionaires of the Baltic Sea Region: A Comparative Analysis of National Business Elites, *Balt. Reg.*, Vol. 9, no. 4, p. 53—71. doi: 10.5922/2074-9848-2017-4-4.